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Executive Director's Message



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"What I Have Learned Over the Years..." by Kirk Grundahl, WTCA Executive Director

...ON THE LEGISLATIVE ENVIRONMENT

- Monetary contributions, while important to aid in defraying campaign costs, often do not buy you much influence, unless your contribution lands you a night in the Lincoln bedroom. Even then it is uncertain what that buys you as you may be trumped by a larger donor whose interest is contrary to yours. Guess who wins in the battle of contributions? There is always someone who has contributed more money than you have just like there is always someone who makes more money than you do.
- Actions taken and legislation made is based largely on relationships and being close enough to the legislators (friends) to have some influence.
- The legislation that has the greatest direct impact on our businesses is local legislation.
- All legislation can be influenced quite well through your local and regional representatives.
- There is one thing more powerful than all the money in the world and that is involvement. By getting involved:
 - People get to know you and your ideas.
 - If you try to be helpful, you will be appreciated.
 - If you have good ideas and are helpful, people will ask for your opinions on critical issues.
 - You will have developed friendships based on knowledge and trust and will have positive influence in whatever undertaking you are actively involved.
 - If an issue comes up that affects our industry and those contacts with whom you have relationships hear about it or are involved with it, you will probably get a call to provide your perspective.
 - You will soon be relied upon for your expertise in those areas your friends believe you can add value to the outcome.

It is very easy to say the following:

- I do not have the time to be involved.
- I am not a joiner.
- I am not comfortable talking with people.
- I like being in situations that include my traditional friends. I do not need more friends.
- If I get involved, I'm just going to be asked to do more work and I already have more than enough to do.
- If I get involved all they want is my money.
- It is not convenient for me.
- Someone else will take care of it.

All of these statements may be true. However, by not getting involved, both your sphere of influence and the opportunities to have a positive impact on your business will be severely constrained.

Chapters: WTCA has advocated chapters primarily because we believe that we do have a fraternal industry and that when competitors get together they find that they have more in common than they think and often like each other very much. Additionally, Chapters are our local de facto political action committees that will:

- Be our industry's local eyes and ears so that we know what the local issues are that may cause legislation to take place.
- Provide our presence and represent the truss industry's personality in the local market.
- Be the expert educator for those that need information on our industry to do their jobs better.
- Provide the method of communicating industry policies to our markets nationwide.

Individuals: Organizations cannot build relationships without people. While this is easy to say, it is hard to implement because of all the reasons stated above that people usually give not to get involved. Individuals are the heart and soul of the chapters and will:

- Be the spokespeople in their local markets.
- Provide local presentations to specifiers, building officials, framers, builders and local/regional government officials.
- Get involved in local political campaigns.
- Become elected to local government boards or offices.
- Provide tours of their design and manufacturing facilities.

WTCA: The strength of any industry organization comes when resources can be combined to provide information, support and tools that can be used by everyone in the industry. It is evident from the association's perspective that the individual needs of every component manufacturer in our industry are virtually identical. The problem is that not everyone is talking to each other to understand that they have identical needs. Given this our industry can end up:

- Having two or three or four associations doing the same task because they are getting identical feedback from companies that solutions are needed now.
- Have the suppliers do the same work as an association because they are trying to fill customer needs.

This is why our national association was set up in 1983. A centralized conduit for information, concerns, problem-solving, etc. provides good cross communication and a better use of valuable resources on projects. A national association can see to it that work is not being duplicated by communicating more broadly what work is already being done. WTCA's role in all of this is to be the best possible support system we can for our chapters and members. In order to be effective we need to have all our members engaged in the process as we are not big enough to be in all local markets.

Finally, this is why WTCA's Board of Directors has embraced the concept of "Putting a Human Face on the Truss Industry." Without this grassroots effort we will not achieve our industry's full potential.

...ON THE POLITICAL ENVIRONMENT

These observations may sound cynical or negative, but I have found them to be true, nevertheless:

- If one lies or tells appealing half-truths for a long enough period of time, those falsehoods will eventually be perceived as the truth.
- Internal relationships are more powerful than facts or good business logic.
- The passionate voice of a minority group can change the political landscape forever, even when the majority of people disagree.
- When emotion and politics are against an industry, the industry usually loses.
- Political correctness does not mean it is grounded in truth and facts.
- Leadership cannot be based on popularity or opinion polls as true leaders must make difficult decisions based on facts and common sense. These decisions may not be popular as they may constitute a significant change and the normal response to change is to resist it. Therefore, true leadership is extremely rare in politics, if it can be found at all.

Here's an example of this. In a chronology of events that I read in 1997 and in a heavily referenced paper from the American Consumers for Affordable Homes (ACAH) to the U.S. Trade Representative, the facts on the SLA, when viewed impartially would allow one to conclude the following:

- Lumber is not subsidized to the degree that the U.S. lumber producers want us to believe. The producers have convinced the U.S. Trade Representative this is the case. In all its previous attempts, the domestic lumber lobby has lost its case that either stumpage practices or log export restrictions constituted countervailable subsidies. In 1982, U.S. lumber companies brought a countervailing duty case against the allegedly subsidized Canadian import of lumber. The Department of Commerce found subsidies to be de minimis and found no subsidies from either stumpage practices or log export restrictions (which no one even argued could be considered a subsidy). U.S. producers challenged this decision in the U.S. Court of International Trade, but the court upheld the ruling.
- Thus, the U.S. lumber lobby has never been able to prove its loud claims of subsidies in a neutral forum. There is no reason to believe that anyone is more likely to prove the existence of countervailable subsidies or injury today. Indeed, neither stumpage practices nor log export restrictions fall within the internationally agreed definitions of a subsidy (a definition repeated in U.S. law).
- Subsidies are provided to U.S. forest product companies by state, local and county governments, even though USTR reports almost none of these programs to the World Trade Organization (WTO). In the hopes of stimulating their economies and creating jobs, states such as Maine, North Carolina and Georgia, to name a few, offer subsidies to encourage timber operators to locate in their states. These subsidies take the form of tax credits, assistance in building facilities, provision of roads and infrastructure, abatement incentives,

and training and economic development programs. For example, Maine has instituted tax increment financing. Georgia provides financial assistance for site preparation and tree planting, timber stand improvement and crop tree release. North Carolina gives lumber producers investment and training tax credits through the William S. Lee Quality Jobs and Business Expansion Act. A summary of programs in 13 states is a matter of public record.

- This entire process undermines the spirit of and principles set forth within the North American Free Trade Agreement (NAFTA).
- One good way for politicians to protect jobs within the Southern U.S. lumber industry is to support and promote the mantra of the Coalition for Fair Lumber Imports (CFLI).

The point is that when an issue becomes political, even though companies may have the best facts on their side, no amount of money, letter-writing or influence can trump the influence established at high levels in our existing political system.

CONCLUDING THOUGHTS

- Work hard at developing relationships, as they are much more valuable than money will ever be.
- Educate everyone who influences our industry every chance you get through plant tours and seminars. Make it a company priority to “Put a Human Face on our Truss Industry.” Your company and our industry will both be winners.
- Put it in your general manager's job description to hold a plant tour once a month.
- Keep your business options open. If the political and emotional winds shift due to forces outside our control, be prepared to make business adjustments and shift with them.
- In this spirit, review your business strategy closely. Strongly consider expanding your product lines to include making and selling products out of all the various options available in the market. This will allow you to easily move in line with those that have political influence and are defining what is the politically correct product to use tomorrow. This allows you to keep your business completely viable until people come to their senses and the truth eventually rises to the surface. With this strategy, our industry will be able to play the game no matter what.
- Seek and promote the truth. If the truth resurfaces and you have kept your business options open, you will still be in the market when that time comes.

We are fortunate that the WTCA Board of Directors and its Committees have thought through and put programs in place to have a united strategy for the future. All of this work has been done to give us a strong chance at having a sound economic future. We now must unite around these strategies and use them so that our entire industry (including both WTCA members and non-members) benefits from this hard work. This is the only way we can remain in the game when legislation and politics are against us.

“Words of truth will be established forever, but telling lies and fostering deception will prevail only for a moment.”—Adapted from Proverbs 12:19.

SBC HOME PAGE

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